

**SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA**

**REPORT OF EXAMINATION OF FINANCIAL STATEMENTS  
INTERNAL CONTROL AND COMPLIANCE**

**JUNE 30, 2001**

**JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT  
133 BUTTERCUP COURT  
WHITE HOUSE STATION, NEW JERSEY 08889  
PHONE: (908) 823-0116**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/14/01

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SHREVEPORT, LOUISIANA**

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SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA

REPORT OF EXAMINATION OF FINANCIAL STATEMENTS  
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JUNE 30, 2001

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**JERRY L. WHITE**  
Certified Public Accountant

133 Buttercup Court  
White House Station, NJ 08889  
(908) 823-0116

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Socialization Services, Inc.  
Shreveport, Louisiana

I have audited the accompanying statement of financial position of Socialization Services, Inc., a non-profit corporation, as of June 30, 2001, and the related statement of activities and cash flows for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Socialization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Socialization Services, Inc., as of June 30 2001, and the results of its operations and changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated October 31, 2001, on my consideration of Socialization Services, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying financial information listed as supplementary financial information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit the financial statements and, in my opinion, is fairly stated in all material respects, in relation to the financial statements as a whole.



JERRY L. WHITE  
Certified Public Accountant

October 31, 2001

SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA  
ALL FUND TYPES AND ACCOUNT GROUPS  
STATEMENT OF FINANCIAL POSITION  
For the Fiscal Year Ended June 30, 2001

	<u>Elderly Affairs Grant Fund</u>	<u>Alcohol and Drug Abuse Grant Fund</u>	<u>Building Fund</u>	<u>Special Upkeep Building Fund</u>
<b><u>ASSETS</u></b>				
Cash	4,787	6,599	1,305	1,312
Grant Receivable (3)				
Accounts Receivable			55	
Furniture and Equipment				
Automobiles				
Land				
Building				
Amt to be provided for retirement of general long-term debt (5)				
<b>TOTAL ASSETS</b>	<u>4,787</u>	<u>6,599</u>	<u>1,360</u>	<u>1,312</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>				
Liabilities:				
Security Deposit			500	
Accounts Payable	254	254		
Taxes Payable	1,116	15		
Loan Payable				
<b>Total Liabilities</b>	<u>1,370</u>	<u>269</u>	<u>500</u>	
Fund Equity:				
Investment in General Fixed Assets				
Fund Balance:				
Unreserved	<u>3,417</u>	<u>6,330</u>	<u>860</u>	<u>1,312</u>
<b>Total Fund Equity</b>	<u>3,417</u>	<u>6,330</u>	<u>860</u>	<u>1,312</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>4,787</u>	<u>6,599</u>	<u>1,360</u>	<u>1,312</u>

The accompanying notes are an integral part of this statement

General Fund	Account Groups		Total (Memorandum Only)	2000 Total
	General Fixed Assets	General Long-Term Debt		
6,786			20,789	38,603
850			905	9,830
	32,050		32,050	320
	15,267		15,267	32,050
	75,555		75,555	15,267
	124,445		124,445	75,555
				124,445
<u>7,636</u>	<u>247,317</u>		<u>269,011</u>	<u>296,070</u>
			500	500
			508	7,616
			1,131	69
			2,139	8,185
	247,317		247,317	247,317
<u>7,636</u>			<u>19,555</u>	<u>40,568</u>
<u>7,636</u>	<u>247,317</u>		<u>266,872</u>	<u>287,885</u>
<u>7,636</u>	<u>247,317</u>		<u>269,011</u>	<u>296,070</u>

SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA

COMBINED STATEMENT OF ACTIVITY  
For the Fiscal Year Ended June 30, 2001

	<u>Elderly Affairs Grant Fund</u>	<u>Alcohol and Drug Abuse Grant Fund</u>	<u>Building Fund</u>	<u>Special Upkeep Building Fund</u>	<u>General Fund</u>	<u>Total (Memorandum Only)</u>	<u>2000 Total</u>
<b>REVENUES:</b>							
Intergovernmental	195,000	98,750			29,976	323,726	329,050
Interest Income	447	15			164	626	551
Rental Income			32,400			32,400	27,980
Donations							
Other				6,500	39	6,539	1,336
<b>TOTAL REVENUES</b>	<b>195,447</b>	<b>98,765</b>	<b>32,400</b>	<b>6,500</b>	<b>30,179</b>	<b>363,291</b>	<b>358,917</b>
<b>EXPENDITURES:</b>							
Personnel	95,925	72,582	2,275		31,506	202,288	196,703
Travel	356	750	1,986			3,092	979
Operating Services	89,561	19,606	10,042	2,300	3,287	124,796	130,415
Operating Supplies		765	6,436	66	694	7,961	12,229
Professional Services							
Capital Outlays	211	122	1,256		145	1,734	9,401
Other Costs	6,739	6,797	24,773	2,822	3,302	44,433	5,250
<b>TOTAL EXPENDITURES</b>	<b>192,792</b>	<b>100,622</b>	<b>46,768</b>	<b>5,188</b>	<b>38,934</b>	<b>384,304</b>	<b>354,977</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,655</b>	<b>(1,857)</b>	<b>(14,368)</b>	<b>1,312</b>	<b>(8,755)</b>	<b>(21,013)</b>	<b>3,940</b>
<b>FUND BALANCE, BEGINNING</b>	<b>762</b>	<b>8,187</b>	<b>15,228</b>		<b>16,391</b>	<b>40,568</b>	<b>36,628</b>
<b>INTERFUND TRANSFER</b>							
<b>FUND BALANCE, ENDING</b>	<b>3,417</b>	<b>6,330</b>	<b>860</b>	<b>1,312</b>	<b>7,636</b>	<b>19,555</b>	<b>40,568</b>

The accompanying notes are an integral part of this statement



ASSOCIATION FOR COMMUNITY TRAINING, INC.  
SHREVEPORT, LOUISIANA

STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended June 30, 2001

	<u>OUAD PROGRAMS</u>	<u>DRUG ABUSE</u>	<u>CHILD CARE</u>	<u>WOODLAWN TERRACE</u>	<u>MILAM/ALLEN PROJECT</u>	<u>GENERAL FUND</u>	<u>TOTAL FUNDS</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Excess (Deficiency) of Revenues over Expenditures	2,655			11,723	(11,400)	29,210	32,188
Adjustments to reconcile operating income to net cash provided (used) by operating activities							
Cash flows reported in other categories							
Depreciation					3,285		3,285
Change in assets and liabilities							
Receivables (net)	7,875	2,900	(53,066)			(19,000)	(61,291)
Receivables from other funds		(490)	(12,702)	7,000	12,000	(1,807)	4,001
Prepaid Expenses							
Accounts Payable	(7,616)	(574)	53,228				45,038
Taxes Payable		(242)	1,046				804
Accrued Expenses		(1,463)	4,162				2,699
Tenant Security Deposit				4,206			4,206
Total Cash InFlows	<u>2,914</u>	<u>131</u>	<u>(7,332)</u>	<u>22,929</u>	<u>3,885</u>	<u>8,403</u>	<u>30,930</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Proceeds from sale of capital assets							
Purchases of capital assets					(46,031)		(46,031)
Building Improvements						(213,429)	(213,429)
Proceeds from CBDG Grant						213,429	213,429
Proceeds from capital debt					46,031		46,031
Principal paid on capital debt					(2,926)		(2,926)
Net cash provided (used) by capital an related financing activities					(2,926)		(2,926)
<b>INCREASE (DECREASE) IN CASH</b>	<u>2,914</u>	<u>131</u>	<u>(7,332)</u>	<u>22,929</u>	<u>959</u>	<u>8,403</u>	<u>28,004</u>
<b>UNRESTRICTED CASH @ 7/01/00</b>	<u>503</u>	<u>369</u>	<u>(647)</u>	<u>(58,340)</u>		<u>4,763</u>	<u>(53,352)</u>
<b>INTERFUND TRANSFER</b>			1,783			(4,592)	(2,809)
<b>UNRESTRICTED CASH @ 6/30/01</b>	<u>3,417</u>	<u>500</u>	<u>(6,196)</u>	<u>(35,411)</u>	<u>959</u>	<u>8,574</u>	<u>(28,157)</u>

The accompanying notes are an integral part of this statement

SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Presentation of Statements:

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. *This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.*

The accompanying financial statements conform to generally accepted accounting principles for local government entities as prescribed by Statement 1, Governmental Accounting and Financial Reporting Principles published by the National Council on Governmental Accounting; Audits of State or Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; Section 800 - Fiscal Requirements, Appendix A, accounting manual for the Governor's Office of Elderly Affairs; and the revised Louisiana Municipal Audit and Accounting Guide.

B. Organization:

Socialization Services, Inc. was incorporated on July 11, 1984, as Humana Socialization, Inc., in Shreveport, Louisiana for civic and charitable purposes. Effective December 1, 1986, the Board of Directors adopted the name of Socialization Services, Inc. The Board of Directors is composed of nine members. The board officers for the year ended June 30, 2001, were Mr. Charles Raye, Chair, Ms. Helen Horton, Vice Chair, and Ms. Sallie Pennywell, Treasurer. Board members are not compensated.

C. Fund Accounting:

Socialization Services Inc. use fund and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental financed functions or activities.

SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Fund Accounting (continued):

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The funds are grouped in the financial statements of this report, into one generic fund type as follows:

(1) Elderly Affairs Grant Fund

The Elderly Affairs Grant Fund is used to account for proceeds of the grant received from the Louisiana Office of Urban Affairs to serve senior citizens of the Greater Shreveport area with meals. Proceeds are also used to provide transportation to and from sites, doctor appointments, pharmacies, groceries, etc. Additional services include home delivered meals for handicapped/disabled elderly, advocacy and recreation.

(2) Drug and Alcohol Abuse Grant Fund

The Drug and Alcohol Abuse Grant Fund is used to account for proceeds of the grant received from the Louisiana Office of Urban Affairs to provide education of targeted youth groups on drug and alcohol abuse.

(3) Building Fund

The building fund is used to account for funds and activities related to donated property located at the West 70th Street Shopping Center. This property is a neighborhood strip shopping center that houses several small businesses. These businesses pay monthly rental to Socialization Services. This property is also the future home of the Caddo Parish Community Women's Health Center. This center was inoperable as of June 30, 2001, but expects to begin functioning in the near future.

(4) Special Upkeep – Building Fund

The special upkeep building fund is used to account for funds and activities related to upkeep of the property at West 70<sup>th</sup> street. Upkeep activities include building repair and upgrade, landscaping and ongoing building maintenance.

(5) General Fund

The General Fund is used to account for funds and activities not directly related to program funds. Funding is provided from the State of Louisiana for processing Medicaid applicants and from the City of Shreveport for processing clients for water bill reimbursement.

SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All funds utilized by Socialization Services, Inc. are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all funds appearing in this financial report. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Socialization Services, Inc. considers revenue available if it is collected within 60 days after year-end. Those revenues susceptible to accrual are intergovernmental and contributions from private sources. Expenditures are recorded when the related fund liability is incurred.

E. Budgets and Budgetary Accounting:

Socialization Services, Inc. generally follows these procedures in establishing the budgetary data reflected in these financial statements:

1. Management, with technical assistance provided by the State of Louisiana Office of Urban Affairs, prepares a proposed budget and submits the same to the Board of Directors for approval prior to the beginning of each fiscal year.
2. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Board of Directors.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Directors or the Louisiana Office of Urban Affairs.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. Expenditures can legally exceed appropriations, but not more than 5%.



SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Expenditures - Actual and Budget:

The following individual fund had actual expenditures over budgeted expenditures for the year ended June 30, 2001.

NONE

G. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in grant funds, and the related assets are reported in the general fixed assets accounts group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related assets, as applicable.

H. Cash

*All cash funds are covered by FDIC insurance at a federally insured financial institution.*

I. Accrued Vacation Liability

The current policy of Socialization Services, Inc. does not provide for the accumulation of earned leave by employees; therefore, these financial statements do not contain a provision for accrued vacation.

J. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Summarized Financial Information for 2000

The financial information for the year ended June 30, 2000, presented for comparative purposes, is not intended to be a complete financial statement presentation.

(2) FUNDING

Socialization Services, Inc. was funded by the Louisiana Office of Urban Affairs, receiving \$195,000 for the fiscal year ended June 30, 2001, and \$98,750 for the Alcohol and Drug Abuse for the fiscal year ended June 30, 2001. Additional funding was received from the State of Louisiana for Medicaid in the amount of \$56 and from the City of Shreveport, receiving \$31,138 for Water and Housing.

(3) GRANTS RECEIVABLE

There were no grant receivables for the period ended June 30, 2001.

(4) INCOME TAX STATUS

Socialization Services, Inc., a non-profit corporation, is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code.

(5) CHANGES IN LONG - TERM DEBT

Socialization Services had no long-term debt during the fiscal year ended June 30, 2001.

(6) JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

*There is no litigation pending against Socialization Services at June 30, 2001. Furthermore, Socialization Services' management believes that any potential lawsuits would be adequately covered by insurance.*

Socialization Services receives revenues from various State grant programs that are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and Socialization Services. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect Socialization Services' financial position.

S U P P L E M E N T A R Y  
I N F O R M A T I O N

SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL  
ELDERLY AFFAIRS FUND TYPE  
For the Fiscal Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (unfavorable)</u>
<u>REVENUES:</u>			
Intergovernmental	195,000	195,000	
Interest Income		447	447
Rental Income			
Donations			
Other			
	<u>195,000</u>	<u>195,447</u>	<u>447</u>
TOTAL REVENUES	195,000	195,447	447
<u>EXPENDITURES:</u>			
Personnel	96,459	95,925	534
Travel	200	356	(156)
Operating Services	90,841	89,561	1,280
Operating Supplies			
Professional Services			
Capital Outlays		211	(211)
Other Costs	7,500	6,739	761
	<u>195,000</u>	<u>192,792</u>	<u>2,208</u>
TOTAL EXPENDITURES	195,000	192,792	2,208
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>          </u>	<u>2,655</u>	<u>2,655</u>
FUND BALANCE, BEGINNING		762	762
INTERFUND TRANSFER	<u>          </u>	<u>          </u>	<u>          </u>
FUND BALANCE, ENDING	<u>          </u>	<u>3,417</u>	<u>3,417</u>

The accompanying notes are an integral part of this statement



SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL  
ELDERLY AFFAIRS FUND TYPE  
For the Fiscal Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (unfavorable)</u>
<b><u>REVENUES:</u></b>			
Intergovernmental	98,750	98,750	
Interest Income		15	15
Rental Income			
Donations			
Other			
	<u>98,750</u>	<u>98,765</u>	<u>15</u>
<b>TOTAL REVENUES</b>	<b>98,750</b>	<b>98,765</b>	<b>15</b>
<b><u>EXPENDITURES:</u></b>			
Personnel	69,869	72,582	(2,713)
Travel	750	750	
Operating Services	20,041	19,606	435
Operating Supplies	1,090	765	325
Professional Services			
Capital Outlays		122	(122)
Other Costs	7,000	6,797	203
	<u>98,750</u>	<u>100,622</u>	<u>(1,872)</u>
<b>TOTAL EXPENDITURES</b>	<b>98,750</b>	<b>100,622</b>	<b>(1,872)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>          </u>	<u>(1,857)</u>	<u>(1,857)</u>
<b>FUND BALANCE, BEGINNING</b>		8,187	8,187
<b>INTERFUND TRANSFER</b>	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCE, ENDING</b>	<u>          </u>	<u>6,330</u>	<u>6,330</u>

The accompanying notes are an integral part of this statement

**JERRY L. WHITE**  
Certified Public Accountant

133 Buttercup Court  
White House Station, NJ 08889  
(908) 823-0116

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENTAL AUDITING STANDARDS

Board of Directors  
Socialization Services, Inc.  
Shreveport, Louisiana

I have audited the financial statements of Socialization Services, Inc., Shreveport, Louisiana as of and for the year ended June 30, 2001, and have issued my report thereon dated October 31, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States.

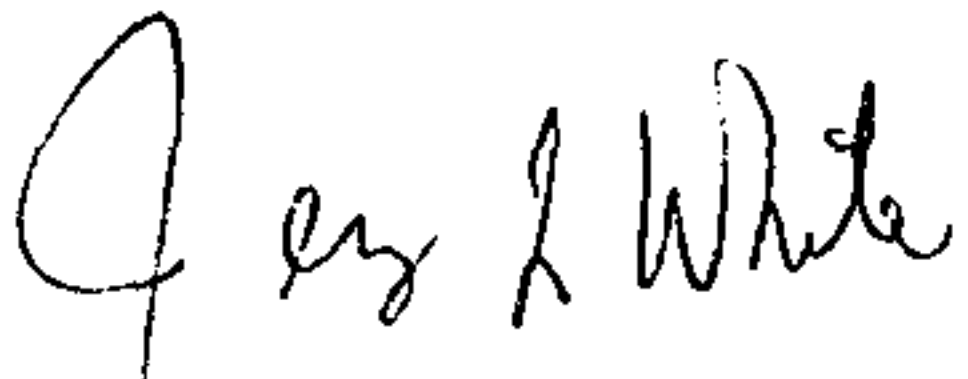
Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Socialization's compliance with certain provisions of laws, regulations, contracts, and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Governmental Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Socialization's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and the state of Louisiana Legislative Auditor's office, and federal awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in cursive script that reads "Jerry L. White". The signature is written in dark ink and is positioned above the printed name and title.

JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT

October 31st, 2001

**JERRY L. WHITE**  
Certified Public Accountant

133 Buttercup Court  
White House Station, NJ 08889  
(908) 823-0116

MANAGEMENT LETTER COMMENTS

Board of Directors  
Socialization Services, Inc.  
Shreveport, Louisiana

THERE ARE NO MANAGEMENT LETTER COMMENTS FOR SOCIALIZATION SERVICES INC.  
FOR THE YEAR ENDED JUNE 30, 2001. PLEASE SEE SUMMARY OF PRIOR YEAR FINDINGS  
FOR FOLLOW-UP ON PRIOR YEAR FINDINGS.



JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT

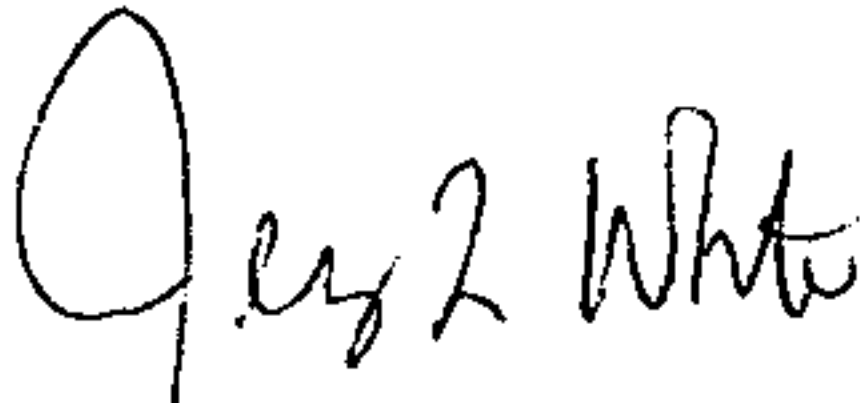
October 31, 2001

**JERRY L. WHITE**  
Certified Public Accountant

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MANAGEMENT'S CORRECTIVE ACTION PLAN

THERE WERE NO AUDIT FINDINGS AND/OR COMMENTS FOR THE YEAR ENDED JUNE 30, 2001, AND THEREFORE A MANAGEMENT CORRECTIVE ACTION PLAN WAS NOT APPLICABLE.



JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT

October 31, 2001

**JERRY L. WHITE**  
Certified Public Accountant

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SUMMARY OF PRIOR YEAR FINDINGS

THERE WERE NO AUDIT FINDINGS AND/OR COMMENTS FOR THE YEAR ENDED JUNE 30, 2000, AND THEREFORE THERE ARE NO PRIOR YEAR FINDINGS.



JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT

October 31, 2001

